

FLORIDA PUBLIC SERVICE COMMISSION

Item 4

VOTE SHEET

February 8, 2023

FILED 2/8/2023  
DOCUMENT NO. 01006-2023  
FPSC - COMMISSION CLERK

Docket No. 20210098-WU – Application for staff-assisted rate case in Pasco County by A Utility Inc.

**Issue 1:** Is the quality of service provided by A Utility Inc. satisfactory?

**Recommendation:** AUI is currently in compliance with the Department of Environmental Protection (DEP) standards; therefore, the quality of service should be considered satisfactory.

**APPROVED**

**Issue 2:** Are the infrastructure and operating conditions of A Utility Inc.’s water system in compliance with DEP regulations?

**Recommendation:** Staff recommends the infrastructure and operating conditions of A Utility Inc.’s water system are in compliance with DEP regulations.

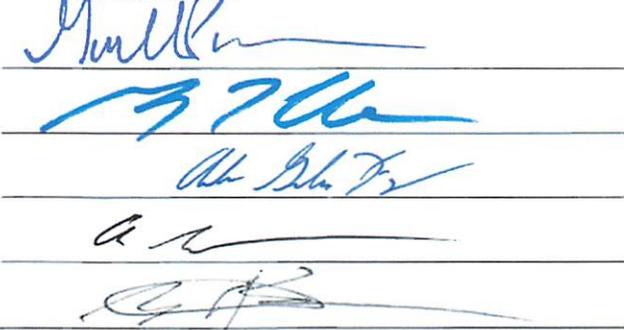
**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING



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**REMARKS/DISSENTING COMMENTS:**

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**Issue 3:** What are the used and useful (U&U) percentages of A Utility Inc.'s water treatment plant (WTP) and water distribution system?

**Recommendation:** AUI's WTP and water distribution system should be considered 100 percent U&U. Additionally, staff recommends no adjustment to purchased power and chemicals expenses should be made for excessive unaccounted for water (EUW).

**APPROVED**

**Issue 4:** What is the appropriate average test year rate base for A Utility Inc.?

**Recommendation:** The appropriate average test year rate base for AUI is \$10,026.

**APPROVED**

**Issue 5:** What is the appropriate return on equity and overall rate of return for A Utility Inc.?

**Recommendation:** The appropriate return on equity (ROE) is 10.45 percent with a range of 9.45 percent to 11.45 percent. The appropriate overall rate of return is 9.95 percent.

**APPROVED**

**Issue 6:** What are the appropriate test year revenues for A Utility Inc.'s water system?

**Recommendation:** The appropriate test year revenues for AUI are \$21,608.

**APPROVED**

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**Issue 7:** What is the appropriate operating expense for A Utility Inc.?

**Recommendation:** The appropriate amount of operating expense for AUI is \$27,242.

**APPROVED**

**Issue 8:** Does A Utility Inc. meet the criteria for application of the operating ratio methodology?

**Recommendation:** Yes. AUI meets the requirement for application of the operating ratio methodology for calculating revenue requirement.

**APPROVED**

**Issue 9:** What is the appropriate revenue requirement for A Utility Inc.?

**Recommendation:** The appropriate revenue requirement for AUI is \$30,196, resulting in an annual increase of \$8,588 (39.75 percent).

**APPROVED**

**Issue 10:** What are the appropriate rate structure and rates for A Utility Inc.?

**Recommendation:** Staff recommends a monthly flat rate for residential service of \$21.33 per month as shown on Schedule No. 4 of staff's memorandum dated January 27, 2023. The Utility should file a revised tariff sheet and a proposed customer notice to reflect the Commission-approved rate. The approved rate should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet provided customers have received notice pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

**APPROVED**

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**Issue 11:** What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

**Recommendation:** The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated January 27, 2023, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. AUI should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

**APPROVED**

**Issue 12:** What are the appropriate miscellaneous service charges for A Utility Inc.?

**Recommendation:** The appropriate miscellaneous service charges are shown on Table 12-2 of staff's memorandum dated January 27, 2023 and should be approved. The Utility should file revised tariff sheets to reflect the Commission-approved charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. AUI should be required to charge the approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding.

**APPROVED**

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**Issue 13:** Should the recommended rates be approved for A Utility Inc., on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

**Recommendation:** Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. AUI should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the staff analysis of staff's memorandum dated January 27, 2023. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

**APPROVED**

**Issue 14:** Should A Utility Inc. be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?

**Recommendation:** Yes. AUI should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. AUI should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

**APPROVED**

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**Issue 15:** Should this docket be closed?

**Recommendation:** No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a Consummating Order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

**APPROVED**